This listing of claims will replace all prior versions, and listings, of claims in the application:

LISTING OF CLAIMS:

1. **(Previously presented)** A method for preparing a rare earth permanent magnet to be exposed to a refrigerant and/or lubricant for an extended period of time, comprising the steps of:

casting an alloy based on R, T and B, wherein R is neodymium or a combination of neodymium with one or more rare earth elements, T is iron or a mixture of iron and cobalt, and B is boron, said alloy consisting essentially of 17 to 33.5% by weight of neodymium, 26.8 to 33.5% by weight of the entire R, 0.78 to 1.25% by weight of B, 0.05 to 3.5% by weight of at least one element selected from the group consisting of Ni, Ga, Zr, Nb, Hf, Ta, Mn, Sn, Mo, Zn, Pb, Sb, Al, Si, V, Cr, Ti, Cu, Ca and Mg, the balance being T and incidental impurities,

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crushing the alloy in an oxygen-free atmosphere of argon, nitrogen or vacuum, followed by comminution, compacting under a magnetic field, sintering and aging, thereby yielding a sintered magnet having an oxygen concentration of up to 0.8% by weight, and magnetic properties including a residual flux density Br of 12.0 to 15.2 kG and a coercive force iHc of 9 to 35 kOe,

cutting and/or polishing the sintered magnet to give a sintered magnet with a finished surface, and

heat treating the sintered magnet with a finished surface in an argon, nitrogen or low-pressure vacuum atmosphere having an oxygen partial pressure of 10^{-6} to 10^{0} torr for 10 minutes to 10 hours at a temperature of 200 to 1,100°C.